This summary annual report provides a snapshot of Council’s performance in 2014/2015. It summarises our progress in delivering our vision that the Coromandel will be the most desirable area of New Zealand in which to live, work and visit. Everything we do is designed to help meet that goal, while also delivering the services, facilities and events that each community needs.

This year, much of the attention of elected members and council staff has been on the successful adoption of the 2015-2025 Long Term Plan. While it is important to focus on our future, we also can’t lose sight of what is going on around us, and to contribute to that spirit which makes the Coromandel unique.

We have had a busy year progressing several of our anchor projects, the Coromandel Great Walk, the Coromandel Harbour Project and the Rail Trail, specifically Kopu to Kailua. We also planted the first trees for our World War I Memorial Forest Project (Te Wao Whakamaumaharatanga). In June 2015 we opened the Pauanui Community Hub, now housing the Pauanui Library and Information Centre, and throughout 2014/2015 we made solid progress on our plans for the Thames Indoor Sports Facility, including the granting of resource consent for this project.

Community Boards continue to be actively involved in local decision making and this is having a real impact in each community. The partnerships we have with our communities are fundamental to the successes we have as Council.

We also extended our network of sealed roads by 14 kilometres to a total 471 kilometres through dust sealing, traction sealing and acquisition of existing sealed roads. A number of district-wide stormwater renewals were completed, and we made significant progress in connecting Ohuka Park in Mercury Bay to the district water supply.

It is important to acknowledge the hard work of our infrastructure teams and Council’s infrastructure committee here - upgrades, renewals and maintenance of these assets is seldom exciting though they make up our biggest budget lines and are the bread and butter of our operations.

This was an important year for our proposed District Plan project, with staff, commissioners and elected members undertaking a huge amount of work around reviewing submissions and facilitating eleven public hearings. We look forward to advancing the District Plan review in 2015/2016.

There were a small number of our infrastructure projects ran over time and have not fully delivered what we intended.

In 2014/2015 we spent a total of $14.3 million on capital works which was less than our projected spend of $24.4 million. This has been a challenge for a number of years and we are working on setting realistic goals.
A New Direction

When elected in October 2013, the new Council developed a fresh vision as its foundation and guiding principles for its three year term. The new direction has been a fundamental driver for the Council in leading the change evident in the organisation throughout the 2014/2015 year, and this direction plays an important role in every day Council business and decision making.

Council’s Vision

We will be a leading District Council in New Zealand through the provision of quality services and facilities, which are affordable, and delivered, with a high standard of customer service.

We will earn respect, both as a good community citizen and through our support of community organisations, economic development and the protection of the environment.

Through our actions, the Coromandel will be the most desirable area of New Zealand in which to live, work and visit.

As a result, we have a renewed focus ensuring each work stream we undertake is accurately planned and thought out to ensure that our projects are better delivered in the coming years.

More detailed information can be found in the full Annual Report, which is available at www.tcdc.govt.nz, or a paper version can be reviewed at our Customer Service Centres across the district.
Thames-Coromandel District Council has committed itself to greater local accountability through a community governance model. This is supported by enhanced Area Office capacity and delegating more responsibilities to Community Boards.

www.tcdc.govt.nz/communityempowerment
Key highlights for each board include the following –

Thames
Upgrading the Thames Civic Centre and incorporating visitor information services within the Centre, and securing external funding and resource consent for the Thames Indoor Sports Facility. An additional exit lane was added to the Rhodes Park entrance to help mitigate any congestion and to help improve the overall safety of the entrance/exit area. Council also continued its support for local youth initiatives.

Coromandel
Undertaking inlet works in order to improve the effluent quality of wastewater entering the wastewater treatment plant, improving signage in order to promote the “Blue Highway”/ferry crossing between Auckland and Coromandel, and increasing parking controls to help mitigate parking congestion at both Hannaford’s and Sugarloaf Wharves. Work also continued on the Coromandel Harbour project.

Mercury Bay
Restoration work on the historic wharf at Ferry Landing began. Work included salvaging the historic stonework from the floor of the Whitianga Harbour. The World War 1 Memorial Forest project was launched in June by the Minister of Conservation. The first planting took place at Cathedral Cove. Significant progress was also made with connecting the Ohuka Park water supply to Council.

Tairua-Pauanui
Opening the new Pauanui Community Library and Information Centre on 27 June 2015, and progress continued on the walking and cycling trail which will eventually link Tairua and Pauanui. Over 200 submissions were also received on the Draft Tairua Community Plan, which was put out for consultation, and over 40 people indicated an interest in being part of the working group which would help develop the community plan priorities and its associated action plan.

Whangamata
Having 300 people attend the Tsunami Open Day in January 2015 and learning about the risks from having a large earthquake to what to do if a tsunami hit, and the latest research into the possible threat of a tsunami to the region. Moves to improve the quality of the facilities around the Harbour were enhanced this year by the efforts of the Whangamata Marina Society who invested in a new treatment plant for a water blast and hardstand runoff. The local board also started consulting with the local community about a strategic vision for Whangamata that will provide a roadmap for future projects and development of the area. Five key strategic objectives and 15 critical actions were developed and these were made available for community feedback.
This year we achieved 76% of our service performance targets. In 2013/2014, 81% of our service performance targets were achieved. These results exclude performance targets that were not measured. There were 12 activities, which achieved all of their performance measures, down from 13 in 2013/2014. 29 service performance targets were not measured or were unable to be measured, up from 26 in 2013/2014.
District leadership
The major focus for elected members in the 2014/2015 financial year was the 2015-2025 Long Term Plan. Development of the Plan began in late 2013, with public consultation held over March/April 2015. The Plan was adopted on 24 June 2015.

Local advocacy
All Community Boards continued to demonstrate engagement with their communities in decision making during the 2014/2015 year. The community empowerment framework adopted by Council in 2012 was actively practiced by Community Boards and a number of significant projects were achieved using this model to partner with local communities.

Land use planning
A large part of the year was dominated by the preparation of staff reports and recommendations for the District Plan Hearings Panel. Staff reviewed over 10,000 submissions to the District Plan and then organised these into topic categories for public hearings. In total there were 29 hearing days and 11 hearing blocks. The hearings were well organised and attended. Since the conclusion of the hearings, staff have worked to develop a consolidated recommended ‘strike-through’ version of the Proposed Plan for the consideration of the District Plan Hearings Panel.

Hazard management
The main activity emphasis for the 2014/2015 financial year was progressing the East Coast Tsunami Project. This project seeks to develop tsunami risk management strategies for individual East Coast Coromandel Peninsula communities. The Tairua/Pauanui component was completed and the Whangamata component neared conclusion. Project planning has now commenced for the Whangapoua/Matarangi and Kuaotunu/Opito components.

Emergency management
The Civil Defence Emergency Management (CDEM) National Plan was released and will replace the current one from 1 December 2015. Community response plans for Coromandel and Whitianga have been completed. Tairua, Pauanui and Whangamata started the development of its community response plans this year.

In addition to this, eighteen young people from the district participated in the youth emergency service (YES) programme. The YES programme is designed to strengthen and encourage young people’s connection to their community by encouraging them to engage with a range of volunteer emergency services by way of a hands-on introduction to the work of these services.

Building control
Council maintained its accreditation status as a registered BCA. The Council has been registered as a BCA since mid-2008 and must meet the standards outlined in the Building (Accreditation of Building Consent Authorities) Regulations 2006 and be reassessed every two years to maintain accreditation status.

Community health and safety
The District Licensing Committee had six hearings this year compared to just one in the previous financial year. Council anticipates this will continue at this level as a result of objections to liquor applications.

District transportation
The new Roading Professional Services contract commenced on 1 November 2014 and three new operations and maintenance contracts (for road maintenance, traffic services, vegetation control and street lighting) were tendered (for commencement 1 July 2015). The incumbent contractors were successful in retaining these 3 year term contracts.

Council completed 37km of road resurfacing, 1.75km of road pavement strengthening, 1km of new traction seal and 4km of new dust seals across the district.

The Port Jackson Road was subject to ongoing damage caused by extreme weather during July and August 2014. Significant resources were required during the response and recovery phase of these weather events. A temporary ford was constructed to provide vehicle access following damage to the Ongohi Bridge, with an innovative bridge reinstatement methodology employed to enable the bridge to be reopened within three months of the original storm event.

Two bridges on Waikawau Beach Road were replaced to allow overweight vehicle access and resource consent was granted for the Kopu to Kaiaua stage 2 section of the Hauraki Rail Trail.

Local transportation
In Thames, Council were able to improve the Rhodes Park intersection and form an off street parking area on Brown Street (outside the Bridge Club). Access to the Woollams Avenue carpark from Tiki Road, in the Coromandel Township, was widened from a one-way to a two way lane to improve access to car parking and reduce congestion.

A new footpath was also installed on Long Bay Road. Mercury Bay saw the removal of many streetlights in Matarangi following requests from the community to reduce light pollution and a new footbridge and footpath was installed at Hot Water Beach in order to connect the overflow carpark with the beach itself.
Tairua had a new footpath installed from Hemi Place to the Marina and Whangamata saw improvements to car-parking on Esplanade Drive.

**Airfields**

All the drains were cleared at the Thames Airport to help alleviate the wet and unsafe conditions posed by a heavy rain event throughout the year. Regular fortnightly safety checks also continued in Pauanui along with maintenance work when required.

**Cemeteries**

A new cemeteries operations manual was developed and the cemeteries bylaw was reviewed and revised, and subsequently adopted by Council.

**Community centres and halls**

Alterations to the Thames War Memorial Civic Centre commenced, and the Pauanui Amenity building was completed in early June 2015.

**Public conveniences**

A number of public conveniences were renovated and refurbished across the district and a new water line was installed at the Hahei beachfront public conveniences. The design and prefabrication process has also started for the new public conveniences at Porritt Park in Thames.

**Harbours facilities**

Partial funding was received from NZ Lottery Grants for the historic wharf upgrade of Ferry Landing. Stone has been recovered from the seabed and restoration work continues.

**Libraries**

District libraries continue to thrive throughout the district with a total of 238,727 items being checked out this year.

**Parks and reserves**

Lotteries funding was received to commission a Conservation Management Plan for the Thames Monument. Five school planting days were completed at different reserves in the Thames Area.

A shelter over the BBQ and new bollards were provided at Buffalo Beach and an access to Stony Creek Reserve was developed. The traction seal on the access to Shakespeare Reserve was also completed.

**Swimming pools**

Both the men's and women's showers were refurbished at the Thames Pool due to the damage caused by a water leak. A new double element hot water cylinder was also installed which has increased the availability of hot water for the showers. Squad numbers have also increased significantly, particularly at the entry level which has meant that a new development squad has had to be formed to handle the numbers.

**Economic development**

A draft business case was developed for the Coromandel Harbours project which identifies long-term investment options to create a “blue highway” between the Coromandel and Auckland. Council obtained a $1 million grant towards the development of the first stage of the Coromandel Great Walks project. In addition to this, the World War 1 Memorial Forest project was initiated and launched by the Minister of Conservation at Cathedral Cove.

**Social development**

A number of initiatives were run by Council, in conjunction with local businesses, in order to ensure that young talent remains within the district through either work experience, apprenticeships, internships, cadetships and/or jobs.
Stormwater
The design of the protection system for Holland Stream in Pauanui progressed and remedial works on the stream banks were completed. Various district-wide stormwater renewals were undertaken throughout the year including upgrades to Fenton Street, Hill Street and Parawai Road in Thames, and Sarah Avenue in Whitianga.

Land drainage
Stormwater maintenance activities in Wharepoa Road and Matatoki continue to be undertaken with Council assisting the community members as required and aerial spraying of the Wainui drain was completed in May 2015.

Wastewater
A number of projects were completed including the installation of a new screw press at the Whitianga Wastewater Treatment Plant; renewing two of Thames pump station’s switchboards and refurbishing the Pauanui Wastewater Pump Station. Work continues on the Coromandel Town Wastewater Treatment Plant upgrade.

Land use
Council improved the percentage of consents processed within statutory timeframes compared to previous years and implemented changes to template letters and processes to enable a smooth transition for customers as a result of changes to the Resource Management Act. Council has also provided a planning presence in the Coromandel office thereby ensuring a planning presence in all main offices.

Land information memorandum (LIM)
It was a positive year for the LIMs team with another record month recorded in February 2015 with 164 requests. Numbers also remained high heading into the traditionally slower winter months.

Natural and cultural heritage
The Heritage Hauraki-Coromandel Forum has continued to be attended and the compilation of ‘heritage’ web content for uploading to the Destination Coromandel website was a significant achievement for the forum.

Water
Council has made significant progress on connecting the Ohuka water supply in Mercury Bay to the Council’s network.

In Thames, stage two of replacing Tararu’s water main was completed, a new water main on Totara Valley Road was installed and a new reservoir on Waiotahi Road was constructed.

The Kauaeranga resource consent was also renewed. In Pauanui, the aquifer reconfiguration project was completed and Tairua’s consenting, renewals and river bank filtration project continued to progress throughout the year.

Solid waste
Communities using the Council’s kerbside collection service generated 3,030 tonnes of waste to landfill and 3,803 tonnes of recycling. This represents a diversion rate (i.e. “was not sent to landfill”) of 55.5%, with a maximum monthly diversion rate of 61.55% being achieved in the December 2014 peak period. The refuse transfer station facilities received 7,504 tonnes of recycling and 9,478 tonnes of refuse destined for landfill which represents a diversion rate of 44.19%.
Part 2 of The Local Government (Financial Reporting and Prudence) Regulations require us to disclose our financial performance in relation to various benchmarks. A complete picture of the results can be obtained from the full Annual Report. The following is a snapshot of the results that were obtained in the 2014/15 financial year.

### Rates affordability benchmarks
- 77.1% of total revenue received by Council was rates income. Rates received must be capped at 80% of total revenue received.
- Rates rose by 0.97% for existing ratepayers. Council’s limit was that rates must not rise by more than 0.7% in the 2014/15 financial year.

### Debt affordability benchmarks
- Total external debt was $41.1 million as at 30 June 2015 and was equivalent to 71% of rates revenue. This is $45.4 million under our total external debt cap of $86.5 million (150% of rates revenue).
- Interest on external debt was 5.06% of rates revenue. This was well within the limit set of 15%.

### Balanced budget benchmark
- Council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) was 98% of total operating expenses. Council would meet this benchmark if revenue (as a proportion) of total operating expenses were greater than 100%.
- This is partly due to the loss on disposal of assets and the fact that we intended not to fully fund from rates the depreciation on the additional capacity component of the Eastern Seaboard wastewater plants constructed in Tairua-Pauanui, Whitianga, and Whangamata and the subsidised portion of roading. This decision was based on the premise that it would not be equitable for the existing ratepayer to fund the depreciation on the portion of these wastewater plants that were constructed for the benefit of future ratepayers, or on roading that has already been subsidised.

### Essential services benchmark
- Capital expenditure on network services was 69% of total depreciation on network services. Council would meet this benchmark if capital expenditure on network services equals or is greater than depreciation on network services.
- Council considers this to be financially prudent as we have a large amount of relatively new infrastructure which should not require renewals for some years to come. However, Council is continuing to fund depreciation in order to build depreciation reserves so that costs towards major renewals can be met without additional borrowing.

### Debt servicing benchmark
- Council’s borrowing costs are 4.0% of its revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment). Council meets this benchmark if it’s borrowing costs equal or are less than 10% of its revenue.

### Debt control benchmark
- Council’s actual net debt of $60 million was 61% of its planned net debt as at 30 June 2015. Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt. Net debt means financial liabilities less financial assets (excluding trade and other receivables).

### Operations control benchmark
- Council’s net cash flow from operations was $16.9 million compared to a budgeted figure of $14.3 million. Council meets the operations control benchmark as its actual net cash flow from operations is greater than its planned net cash flow from operations (118%).
how your money was spent

Council divides its business into 11 activity groups. Each group is funded by a combination of rates, user charges, loans and subsidies.

This graph shows a summary of the expenditure incurred by each activity group.

Total Operating Expenditure $77.3m
### Statement of Comprehensive Revenue and Expense

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
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<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
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<tr>
<td></td>
<td>$000’s</td>
<td>$000’s</td>
</tr>
<tr>
<td>Rates, excluding targeted water supply rates</td>
<td>56,563</td>
<td>56,173</td>
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<tr>
<td>Targeted rates for water supply</td>
<td>1,665</td>
<td>1,487</td>
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<tr>
<td>Fees and charges</td>
<td>9,611</td>
<td>8,908</td>
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<tr>
<td>Other revenue</td>
<td>7,226</td>
<td>8,153</td>
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<td><strong>Total revenue</strong></td>
<td><strong>75,065</strong></td>
<td><strong>74,721</strong></td>
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<tr>
<td>Personnel costs</td>
<td>14,462</td>
<td>14,444</td>
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<tr>
<td>Depreciation and amortisation expense</td>
<td>19,345</td>
<td>18,218</td>
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<tr>
<td>Finance costs</td>
<td>3,471</td>
<td>2,918</td>
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<td>Other expenses</td>
<td>41,609</td>
<td>41,728</td>
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<td><strong>Total expenditure</strong></td>
<td><strong>78,887</strong></td>
<td><strong>77,308</strong></td>
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<td>Share of joint venture surplus/(deficit)</td>
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<td>2</td>
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<tr>
<td><strong>Surplus/(deficit)</strong></td>
<td><strong>(3,822)</strong></td>
<td><strong>(2,585)</strong></td>
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<tr>
<td>Gains on revaluation of property, plant and equipment</td>
<td>25,235</td>
<td>28,689</td>
</tr>
<tr>
<td>Losses on revaluation of financial assets</td>
<td>0</td>
<td>1</td>
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<tr>
<td><strong>Total other comprehensive revenue and expense</strong></td>
<td><strong>25,235</strong></td>
<td><strong>28,690</strong></td>
</tr>
<tr>
<td><strong>TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR</strong></td>
<td><strong>21,414</strong></td>
<td><strong>26,105</strong></td>
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### Statement of Financial Position

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<tr>
<th></th>
<th>2015</th>
<th>2014</th>
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<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td></td>
<td>$000’s</td>
<td>$000’s</td>
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<tr>
<td>Total current assets</td>
<td>7,079</td>
<td>7,871</td>
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<td>Total non-current assets</td>
<td>1,337,274</td>
<td>1,316,770</td>
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<td><strong>Total assets</strong></td>
<td><strong>1,344,353</strong></td>
<td><strong>1,324,641</strong></td>
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<td>Total current liabilities</td>
<td>19,235</td>
<td>22,110</td>
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<tr>
<td>Total non-current liabilities</td>
<td>65,516</td>
<td>47,488</td>
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<td>Total liabilities</td>
<td>84,750</td>
<td>69,598</td>
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<td><strong>NET ASSETS AND TOTAL EQUITY</strong></td>
<td><strong>1,259,602</strong></td>
<td><strong>1,255,043</strong></td>
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### Statement of Changes in Equity

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<tr>
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<th>2015</th>
<th>2014</th>
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<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td></td>
<td>$000’s</td>
<td>$000’s</td>
</tr>
<tr>
<td>Balance at 1 July</td>
<td>1,238,188</td>
<td>1,228,938</td>
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<tr>
<td>Total comprehensive income</td>
<td>21,414</td>
<td>26,105</td>
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<tr>
<td><strong>BALANCE AT 30 JUNE</strong></td>
<td><strong>1,259,602</strong></td>
<td><strong>1,255,043</strong></td>
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<tr>
<td>Equity represented by:</td>
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<tr>
<td>Accumulated funds</td>
<td>376,959</td>
<td>371,083</td>
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<td>Reserves</td>
<td>882,643</td>
<td>883,961</td>
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### Statement of Movements in Cash Flow

<table>
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<tr>
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<th>2015</th>
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<tr>
<td></td>
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<td>Actual</td>
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<tr>
<td></td>
<td>$000’s</td>
<td>$000’s</td>
</tr>
<tr>
<td>Net cash inflow/(outflow) from operating activities</td>
<td>14,263</td>
<td>16,995</td>
</tr>
<tr>
<td>Net cash inflow/(outflow) from investing activities</td>
<td>(24,218)</td>
<td>(13,775)</td>
</tr>
<tr>
<td>Net cash inflow/(outflow) f from financing activities</td>
<td>8,483</td>
<td>(4,340)</td>
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<tr>
<td><strong>Net increase/(decrease) in cash and cash equivalents</strong></td>
<td><strong>(1,472)</strong></td>
<td><strong>(1,120)</strong></td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td>1,908</td>
<td>1,215</td>
</tr>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</strong></td>
<td><strong>436</strong></td>
<td><strong>95</strong></td>
</tr>
</tbody>
</table>
**Key items explained**

**Rates revenue, excluding targeted water supply rates**
Rates are set annually by resolution of Council.

**Fees and charges**
Includes fees and charges for Council services.

**Targeted rates for water supply**
Includes revenue received for water by meter charges.

**Other revenue**
Other revenue includes income from:
- Vested assets which are infrastructure assets and land given to Council;
- Development contributions which are collected to fund capital expenditure required to meet increased demand for community facilities resulting from growth and new development within the District;
- Subsidies which are received from the NZ Transport Agency to assist in the funding of approved roading programmes;
- Non-cash items arising principally from the revaluation of Council’s interest rate swaps;
- Any other sundry sources.

**Personnel costs**
Personnel costs include salaries, wages and any other employee related costs.

**Finance costs**
Costs of external debt such as interest charges.

**Other expenses**
All other operating expenses.

**Surplus/(deficit)**
Is the difference between revenue and expenditure for the current year. It does not include capital transactions such as the purchase or construction of assets. It includes non-cash items (i.e. depreciation).

**Other comprehensive income**
Includes gains on revaluation of property, plant and equipment and losses arising from investment in other entities.

**Current assets**
Assets expected to be converted to cash over the next 12 months such as cash and accounts receivable.

**Non-current assets**
Assets expected to be held for longer than one year such as buildings, roads, parks and water assets.

**Current liabilities**
The amount we owe to others that is due to be paid within 12 months such as creditors and the short-term borrowings.

**Non-current liabilities**
The amount we owe to others that is not due to be paid within 12 months such as long-term borrowings.

**Net assets**
Net assets equals total assets less total liabilities.

**Equity**
Equity is the same as net assets, i.e. what we own, less what we owe.

**Net cash inflow/(outflow) from operating activities**
Is the difference between operating revenue and operating expenses.

**Net cash inflow/(outflow) from investing activities**
Is the difference between buying and selling assets and investments.

**Net cash inflow/(outflow) from financing activities**
Is the difference between borrowing and the repayment of loans.
Explanations for key variances from the budget

**Revenue items**

**Rates revenue, excluding targeted water supply rates**
Rates revenue, excluding targeted water supply rates decreased $0.6 million to budget. The main reason for the variance is that the budgeted figure does not take into consideration remissions of $0.6 million.

**Fees and charges**
Fees and charges decreased $0.7 million compared to budget. Compared to budget there has been a reclassification of revenue of $0.7 million from petrol tax, fines and infringements to other revenue.

**Other revenue**
Other revenue is greater than budget by $1.4 million. Compared to budget there has been a reclassification of revenue of $0.7 million from fees and charges for petrol tax, fines and infringements. Valuation of the forestry asset produced a gain of $0.6 million mainly due to an increase in log prices. Other gains from the valuation of property plant and equipment amount to $0.2 million.

**Expenditure items**

**Depreciation and amortisation expenses**
Depreciation and amortisation expenses decreased compared to budget by $1.1 million. This is due to lower capital expenditure in the current and preceding financial year, resulting in a lower than budget depreciation charge. The main areas were in roading and parks and reserves.

**Other comprehensive income**

**Gains on property plant and equipment revaluations**
Gains were above budget by $3.5 million. The asset revaluation movements were higher than budgeted.

**Assets**

**Receivables**
Receivables are over budget by $1.1 million. Rates debtors, net of impairments, have increased by $1.1 million. This is due to timing differences and the budget having made full allowance for the settlement of the 1877 land agreement (as per Note 29 in the full Annual Report) and the settlement of a major rates arrears dispute.

**Intangible assets**
Intangible assets were under budget by $2.4 million. The budget is made up of the opening book value as at 1 July 2013 of $7.3 million plus the budgeted intangible additions for the 13/14 financial year and the 14/15 financial year of $1.1 million. The majority of the additions budget related to the Coromandel Harbour facility feasibility study and resource consent application. Costs to date for this project have been treated as operating expenditure.

**Property, plant and equipment**
Property, plant and equipment was under budget by $19.0 million. The budget is made up of the opening book value as at 1 July 2013 ($1.277 billion) plus the budgeted tangible additions and revaluation surplus for the 2013/2014 financial year and the 2014/2015 financial year of $37.2 million and $49.1 million, respectively. This total was offset by budgeted depreciation of $37.7 million. The total additions over this time however, only amounted to $28.7 million. This produced a shortfall compared to budget of $16.6 million.

**Liabilities**

**Creditors**
Creditors were over budget by $0.8 million. Accruals for invoices relating to June but invoiced in July totalled $0.6 million. Rates received in advance increased by $0.1 million and grants received for projects to commence in 2015/16, namely Ferry landing restoration at Cooks Beach and the Thames skate park totalled $0.2 million.

**Derivative financial instruments**
Derivative financial instruments were $1.1 million above budget. Changes in the quantum and value of derivatives have led to the variance. Due to the inherent difficulties in predicting valuations, derivatives are difficult to budget for but there is no funding impact.

**Borrowings**
The difference between that budgeted in the balance sheet for borrowings and actual borrowings is $17.1 million. The difference is due to Council having a lower debt requirement due to the capital expenditure underspend and placing tighter controls on operational expenditure.
Disclosures

Reporting entity
Thames-Coromandel District Council (Council) is a territorial local authority established under the Local Government Act 2002.

Basis of preparation

Statement of compliance
This Summary Annual Report is for the year ended 30 June 2015 and was authorised for issue by the Chief Executive on 27 November 2015. The full Annual Report was adopted by Council and approved for issue on 28 October 2015.

The full financial statements of Council have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). They also comply with Tier 1 PBE accounting standards.

All other statutory requirements relating to the Annual Report have been complied with. This Summary Annual Report has been prepared in accordance with the PBE Financial Reporting Standard 43 (PBE FRS 43) Summary Financial Statements.

Measurement base
The financial statements have been prepared on an historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investments, forestry assets and certain financial instruments (including derivative instruments).

Functional and presentation currency
The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000’s).

Change in accounting policies
The full financial statements and these summary financial statements are the first financial statements presented in accordance with the new PBE accounting standards. The reclassification adjustments required upon transition to the new PBE accounting standards are detailed in the table below:

<table>
<thead>
<tr>
<th>Note</th>
<th>Before adjustments</th>
<th>Reclassification adjustment</th>
<th>After adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000’s</td>
<td>$000’s</td>
<td>$000’s</td>
</tr>
<tr>
<td>Targeted rates for water supply</td>
<td>(a) 0</td>
<td>1,486</td>
<td>1,486</td>
</tr>
<tr>
<td>Fees, charges and targeted rates for water supply</td>
<td>10,440</td>
<td>(10,440)</td>
<td>0</td>
</tr>
<tr>
<td>Fees and charges</td>
<td>0</td>
<td>8,779</td>
<td>8,779</td>
</tr>
<tr>
<td>Other revenue</td>
<td>(b) 9,724</td>
<td>175</td>
<td>9,899</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>20,164</td>
<td>0</td>
<td>20,164</td>
</tr>
</tbody>
</table>

a) Targeted rates for water supply of $1.486 million have been reclassified from fees and charges and disclosed as a separate line in the statement of comprehensive revenue and expenses.

b) Fees and charges revenue (previously included within fees, charges and targeted rates for water supply) of $175,000 has been reclassified to other revenue as this revenue category is considered more appropriate under the new PBE accounting standards.

Contingent liabilities
Contingent liabilities, which are dependent on other future events, are $12.0 million (2014: $13.0 million). Of this, $9.3 million relates to possible future claims against Council for damages relating to leaky buildings and $1.9 million relates to financial guarantees given to a number of sporting and community organisations bank loans.
Subsequent events after balance date

The Council settled an outstanding weather-tight claim on 23 September 2015. The amount of the settlement was previously provided for in Council’s year end accounts.
There have been no other post balance date events up to the date of the adoption of the full Annual Report.

Disclaimer

The specific disclosures in this Summary Annual Report have been extracted from the Council’s full Annual Report. The Summary Financial Statements do not include all the disclosures provided in the full Annual Report. This Summary Annual Report cannot be expected to provide as complete an understanding as provided by the full Annual Report of the financial and service performance, financial position and cash flows of the Thames-Coromandel District Council. The Summary has been examined for consistency with the full Annual Report that was audited by Audit New Zealand on behalf of the Office of the Auditor-General. The full Annual Report received an unmodified audit opinion on 28 October 2015. A copy of the full Annual Report can be obtained from any of our customer service centres and libraries or on our website at: www.tcdc.govt.nz
Independent Auditor’s Report

To the readers of
Thames-Coromandel District Council’s summary annual report
for the year ended 30 June 2015

The summary annual report was derived from the annual report of the Thames-Coromandel District Council (the District Council) for the year ended 30 June 2015. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 1 to 16:

- the summary statement of financial position as at 30 June 2015;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of movements in cash flow for the year ended 30 June 2015;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision (referred to as performance overview and activity group highlights) of the District Council.

We expressed an unmodified audit opinion on the District Council’s full audited statements in our report dated 28 October 2015.

Opinion

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

Basis of opinion

Our audit was carried out in accordance with the Auditor-General’s Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements and the full audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 28 October 2015 on the full audited statements.
The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the District Council.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements. The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Other than in our capacity as auditor we have no relationship with, or interest in, the District Council.

David Walker,
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand
27 November 2015